



0000150114

## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP - Chairman  
 GARY PIERCE  
 BRENDA BURNS  
 BOB BURNS  
 SUSAN BITTER SMITH

2014 JAN 31 P 3:07

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

ORIGINAL

Arizona Corporation Commission

DOCKETED

JAN 31 2014

DOCKETED BY

DOCKET NO. W-01737A-12-0478

NOTICE OF COMPLIANCE WITH  
DECISION 74294

IN THE MATTER OF THE APPLICATION  
 OF NEW RIVER UTILITY COMPANY, AN  
 ARIZONA CORPORATION, FOR A  
 DETERMINATION OF THE FAIR VALUE  
 OF ITS UTILITY PLANT AND  
 PROPERTY AND FOR INCREASES IN  
 ITS WATER RATES AND CHARGES FOR  
 UTILITY SERVICE BASED THEREON.

BROWNSTEIN HYATT FARBER SCHRECK, LLP  
 One East Washington Street, Suite 2400  
 Phoenix, AZ 85004  
 602.382.4040


In Decision 74294 (January 29, 2014), the Arizona Corporation Commission ("Commission") approved new rates and charges for New River Utility Company ("New River" or the "Company").<sup>1</sup> Decision 74294 orders that New River docket, before February 1, 2014, revised rate schedules setting forth the approved new rates and charges. In accordance with Decision 74294, attached hereto as Attachment 1 is a copy of New River's revised rates and charges which are effective for all service provided on and after February 1, 2014.

Additionally, Decision 74294 approves a new Purchased Water Surcharge Tariff Schedule for New River but requires that the Company modify Section IV(B) to include a requirement that the Company provide notice to Utilities Division Staff before any month in which the Company intends to bill customers a purchased water surcharge. In accordance with Decision 74294, attached hereto as Attachment 2 is a revised version of the Purchased Water Surcharge Tariff Schedule which includes the required revision.

<sup>1</sup> The first ordering paragraph of Decision 74294 at pages 77-79 appears to inadvertently omit the recommended service line and meter installation charges that are contained on page 56, lines 11-21 of the decision. New River understands that the Commission's hearing division is issuing an order *nunc pro tunc* addressing this oversight. The rates and charges included in the tariff submitted herewith include the recommended service line and meter installation charges from page 56 of Decision 74294.

1 RESPECTFULLY submitted this 31<sup>st</sup> day of January, 2014.

2 BROWNSTEIN HYATT FARBER SCHRECK LLP

3  
4 

5 Jeffrey W. Crockett, Esq.  
6 One East Washington Street, Suite 2400  
7 Phoenix, Arizona 85004  
8 Attorneys for New River Utility Company

9 ORIGINAL and thirteen (13) copies filed  
10 this 31<sup>st</sup> day of January, 2014, with:

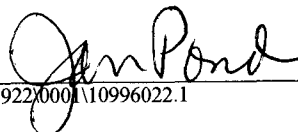
11 Docket Control  
12 ARIZONA CORPORATION COMMISSION  
13 1200 West Washington Street  
14 Phoenix, Arizona 85007

15 COPY of the foregoing hand-delivered  
16 this 31<sup>st</sup> day of January, 2014, to:

17 Lyn Farmer, Chief Administrative Law Judge  
18 Hearing Division  
19 ARIZONA CORPORATION COMMISSION  
20 1200 West Washington Street  
21 Phoenix, Arizona 85007

22 Steve Olea, Director  
23 Utilities Division  
24 ARIZONA CORPORATION COMMISSION  
25 1200 West Washington Street  
26 Phoenix, Arizona 85007

27 Janice M. Alward, Chief Counsel  
28 Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

23   
24 0159220001\10996022.1

# **ATTACHMENT 1**

**NEW RIVER UTILITY COMPANY**  
**SCHEDULE OF RATES AND CHARGES FOR SERVICE**  
Approved by Decision No. 74294  
Effective Date: February 1, 2014

**MONTHLY USAGE CHARGE**

5/8" X 3/4" Meter	\$9.00
3/4" Meter	9.00
1" Meter	22.50
1 1/2" Meter	45.50
2" Meter	72.50
3" Meter	144.50
4" Meter	228.50
6" Meter	450.50
8" Meter	750.50
Standpipe Meter	By Meter Size

**SERVICE CHARGES:**

Establishment	\$30.00
Reconnection (Delinquent)	\$40.00
After Hours Service Charge	\$25.00
Meter Test (If Correct)	\$40.00
Deposit	*
Deposit Interest	*
Reestablishment (Within 12 Months)	**
NSF Check	\$15.00
Deferred Payment (Per Month)	1.50%
Meter Re-Read (If Correct)	\$30.00
Late Payment Penalty (Per Month)	1.50%
Monthly Service Charge for	
Fire Sprinkler (All Sizes)	***
Moving Customer Meter at	
Customer Request	Cost <sup>1</sup>

\* Per A.A.C. R14-2-403(B)

\*\* Months off system times the monthly minimum  
Per A.A.C. R14-2-403(D).

\*\*\* 2% of the monthly minimum for a comparably  
sized meter connection, but no less than \$10.00  
per month. The Service Charge for Fire Sprinklers  
is only applicable for service lines separate and  
distinct from the primary water service line.

<sup>1</sup> All items billed at cost shall include labor,  
materials and parts, overheads, and all  
applicable taxes.

In addition to the collection of regular rates, the utility  
will collect from its customers a proportionate share of  
any privilege, sales, use, and franchise tax, per  
Commission rule A.A.C. R14-2-409(D)(5).

**COMMODITY RATES (per 1,000 gallons)**

**5/8" x 3/4" Meters**

1 to 4,000 Gallons	\$ 0.95
4,001 to 10,000 Gallons	1.90
Over 10,000 Gallons	2.63

**3/4" Meters**

1 to 4,000 Gallons	0.95
4,001 to 10,000 Gallons	1.90
Over 10,000 Gallons	2.63

**1" Meters**

1 to 20,000 Gallons	1.90
Over 20,000 Gallons	2.63

**1 1/2" Meters**

1 to 40,000 Gallons	1.90
over 40,000 Gallons	2.63

**2" Meters**

1 to 65,000 Gallons	1.90
Over 65,000 Gallons	2.63

**3" Meters**

1 to 130,000 Gallons	1.90
Over 130,000 Gallons	2.63

**4" Meters**

1 to 200,000 Gallons	1.90
Over 200,000 Gallons	2.63

**6" Meters**

1 to 420,000 Gallons	1.90
Over 420,000 Gallons	2.63

**8" Meters**

1 to 670,000 Gallons	1.90
Over 670,000 Gallons	2.63

**Standpipe Water**

All Usage	2.63
-----------	------

**NEW RIVER UTILITY COMPANY**  
**SCHEDULE OF RATES AND CHARGES FOR SERVICE**  
**Approved by Decision No. 74294**  
**Effective Date: February 1, 2014**  
**Page 2**

**SERVICE LINE AND METER INSTLLATION CHARGES:**

(Refundable pursuant to A.A.C. R14-2-405)

	<b><u>Service</u></b> <b><u>Line Charge</u></b>	<b><u>Meter</u></b> <b><u>Installation</u></b>	<b><u>Total</u></b>
5/8" X 3/4" Meter	\$ 445.00	\$ 155.00	\$ 600.00
3/4" Meter	445.00	255.00	700.00
1" Meter	495.00	315.00	810.00
1 1/2" Meter	550.00	525.00	1,075.00
2" Turbine Meter	830.00	1,045.00	1,875.00
2" Compound Meter	830.00	1,890.00	2,720.00
3" Turbine Meter	1,045.00	1,670.00	2,715.00
3" Compound Meter	1,165.00	2,545.00	3,710.00
4" Turbine Meter	1,490.00	2,670.00	4,160.00
4" Compound Meter	1,670.00	3,645.00	5,315.00
6" Turbine Meter	2,210.00	5,025.00	7,235.00
6" Compound Meter	2,330.00	6,920.00	9,250.00
8" or Larger Meter	Cost <sup>1</sup>	Cost <sup>1</sup>	Cost <sup>1</sup>

<sup>1</sup> All items billed at cost shall include labor, materials and parts, overheads, and all applicable taxes.

# **ATTACHMENT 2**

## **TARIFF SCHEDULE**

UTILITY: New River Utility Company  
DOCKET NO. W-01737A-12-0478

DECISION NO. 74294  
EFFECTIVE DATE: January 29, 2014

### **PURCHASED WATER SURCHARGE**

#### **I. Purpose and Applicability**

The purpose of the this tariff is to equitably apportion the costs of water purchased through an emergency interconnection with the City of Peoria among New River Utility Company Customers. These charges are applicable to all connections and will be assessed based on usage, as more particularly provided below.

#### **II. Definitions**

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Avoided Production Costs" means the unit cost of production (cost per 1,000 gallons) avoided by the Company because of the use of water purchased from the City of Peoria rather than pumping groundwater from the Company's wells and booster stations.

"Company" means New River Utility Company.

"Purchased Water Cost" means the actual cost billed by the City of Peoria for water purchased through the emergency interconnection between the City of Peoria's water system and the Company's water system.

"Purchased Water Quantity" means the actual quantity (in thousands of gallons) of water billed by the City of Peoria for water purchased through the emergency interconnection between the City of Peoria's water system and the Company's water system.

"Purchased Water Surcharge" means the surcharge calculated in accordance with Section IV below.

"Surcharge Rate" means the rate per 1,000 gallons that is calculated in accordance with Section III below.

"Water Sold" means the actual quantity (in thousands of gallons) of water sold by the Company to its Customers during the month corresponding to the month in which water was purchased from the City of Peoria through the emergency interconnection between the City of Peoria's water system and the Company's water system.

### **III. Surcharge Rate Calculation**

For each month that the Company purchases water from the City of Peoria through the emergency interconnection between the City of Peoria's water system and the Company's water system, the Company will calculate the Surcharge Rate per the following formula:

$$[\text{Purchased Water Cost} - (\text{Purchased Water Quantity} \times \text{Avoided Production Costs})] / \text{Water Sold}$$

### **IV. Terms and Conditions**

(A) Assessment and Billing of Purchased Water Surcharge: For any month in which water is purchased from the City of Peoria, after completing its billing for the month and receiving Peoria's billing for the month, New River will make the surcharge calculation to determine the Surcharge Rate.

In the following month, New River will bill the Purchased Water Surcharge to its customers. Each individual customer's billing for the Purchased Water Surcharge will be based on that customer's actual usage for the previous month (the month corresponding to the water purchase from Peoria) times the Surcharge Rate.

The Purchased Water Surcharge shall be presented as a separate line item on the customer billing.

(B) Notice to Commission: Before any month in which the Company intends to bill customers a Purchased Water Surcharge, the Company shall provide Commission Staff notice of the Company's intent to bill the Purchased Water Surcharge. The notice to Commission Staff shall include the following:

1. The Purchased Water Cost.
2. The Purchased Water Quantity.
3. A copy of the bill received for the purchase of water from the City of Peoria.
4. A description of the system problem necessitating purchasing of water and a description of the action being taken by the Company to resolve the problem, including the date operations did or are expected to return to normal.
5. The dates for beginning and ending purchasing water.
6. A schedule showing the calculation of the Surcharge Rate in excel format with formulas intact, including a schedule showing the determination of the Avoided Production Costs.